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INFORMATION REPORT

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COUNTRY Czechoslovakia

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THIS IS UNEVALUATED INFORMATION

1. In 1948 it was widely rumored in Czechoslovakia that some industries were scheduled to move to Slovakia and that some new ones were to be built there. I later learned that such a plan did exist as part of the first Two Year Plan. In the current Five Year Plan, there is no provision for moving industries to Slovakia, the only provision being for construction of new industries in that eastern section.

2. The first transfer of industries took place before the Communists took over in February 1948 and the moving continues until some time in 1949. Installations were moved only from the Sudetenland, which suffered from a severe shortage of workers after the expulsion of more than three million Germans from the region. Transfer of the installations was relatively simple because most of the equipment had been owned by Germans and after World War II was confiscated, eliminating many legal problems which might otherwise have come up. Much of the equipment was obsolete and not usable in modern plants. Sometimes two or three small plants were consolidated into one plant, using the better equipment and discarding the rest.

3. Smaller textile plants were dismantled first, followed by some smaller glass factories and processing plants. Finally, some smaller machine tool factories, foundries and such were transferred. These industries were placed in the most underdeveloped regions in Slovakia.

4. The shift had no great significance for the entire industrial potential of the country, but it was a good propaganda weapon directed toward assuring the Slovaks that the other regions of Czechoslovakia (Bohemia and Moravia) were aiding them. I heard that about 70 or 80 industrial plants were moved, but I do not know what this meant in terms of production.

5. Construction of new industry in Slovakia is a very important part of the Five Year Plan. It is known that Slovakia has large undeveloped natural

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resources and a thorough search is being made for iron ore, coal, manganese and even oil. The best results should be obtained from the search for manganese and iron ore. The new industrialization program for Slovakia calls especially for large heavy industry plants (steel mills, pig iron production) and hydroelectric plants. The most important heavy industry project is undoubtedly Kombinat Kosice, a huge metallurgical plant being built some 10-15 km from Kosice. These installations in Slovakia not only have strategical importance but also lower the transportation costs for raw materials from the USSR. I have no information about capacity of the Kombinat Kosice, except that its production will be surpassed only by the Ostrava-Vitkovice Kombinat (also being greatly expanded in Vitkovice), and will be higher than that of the Kladno Kombinat in Bohemia. Also being greatly expanded is the Podbrezova Metallurgical Works in Podbrezova. Several hydroelectric plants are being built on the Vah River. A synthetic rubber plant (Matador National Corp, with main plant in Bratislava) for production of large heavy duty tires was just being finished [redacted] I do not know the plants location. The equipment for this plant was originally ordered in the US and especially produced for Czechoslovakia, but shipment was later blocked by US refusal to grant an export license. The equipment was finally partly manufactured in Czechoslovakia and partly imported from other countries.

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6. It is very difficult to find in any publication an accurate picture of the economic situation in Czechoslovakia or any other Iron Curtain country. The restriction on publication of statistics is growing to such an extent that practically no statistics as such are published. I believe, however, that a relatively good picture can be obtained by taking the last published figures (1948-49) as a basis and applying the percentages which are published in various publications or in official speeches. In my opinion, these percentages are quite reliable. I have heard that they are taken directly from detailed reports prepared only for the leading CP officials and not specially "manufactured". I do not know whether this is the case; I think more likely figures are manufactured for these high officials, without their knowledge. Even so, the figures should be relatively correct. The most useful publications are: Rude Pravo, Tvorba, bulletins of the industrial ministries, Hospodar, Zemedelske Noviny, Statisticky Vestnik, Svet Prace, Hudovatel (Slovakia's economy), Zahranicni Obchod, Czechoslovak Exporter, Fakta a Cifry, Mluvime Lidem Pravdu, Funkcionar. The last three mentioned are periodicals for CP lower officials and are available in Communist district bookshops. Also of some help are booklets published irregularly by the Ministry of Information about Czech agriculture, industry, and the Five Year Plan.

7. The original Ceskomoravska-Kolben-Danek (CKD) National Corp has been reorganized several times and now exists as two national corporations. These two bear the name "CKD" in their title but include plants which never had any connection with the original CKD. On the other hand, some of the original plants in Prague were divided into two independent corporations: CKD-Sokolovo and CKD-Stalingrad, both of which, judging from construction which can be seen from the outside, were greatly expanded.

8. In 1948 only one shift was employed in Czechoslovak plants; today almost all departments work in three shifts. A big drive was launched in 1950 for women workers. I think all Prague plants now have sufficient manpower because [redacted] workers were not being accepted for Prague plants, but were instead being sent to such other industrial centers as Kladno, Ostrava and Most.

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9. I have no information on machines sent from Czechoslovakia to the USSR or vice versa. Neither do I have information on machine tools mostly needed by Eastern Bloc countries. I know nothing of equipment, if any, which Czechoslovakia is receiving under reparations plans.

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